

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 85**

Introduced by McGill, 26.

Read first time January 8, 2009

Committee: Urban Affairs

A BILL

- 1 FOR AN ACT relating to municipalities; to authorize urban growth
- 2                   districts and provide bond authority.
- 3 Be it enacted by the people of the State of Nebraska,

1           Section 1. (1) The Legislature recognizes that there is  
2 a growing concern among municipalities that infrastructure costs  
3 and needs are great, especially in areas that are on the edge  
4 of or near the municipal boundaries and in need of development  
5 resources, and the governing bodies of municipalities must identify  
6 and develop financing mechanisms to respond to all infrastructure  
7 needs in an effective and efficient manner. The authorization of  
8 urban growth bonds, with local option sales and use tax revenue  
9 identified as the source of financing for the bonds, will encourage  
10 municipalities to use such revenue to bond infrastructure needs.

11           (2) The governing body of a municipality may create  
12 one or more urban growth districts for the purpose of using  
13 local option sales and use tax revenue to finance municipal  
14 infrastructure needs. An urban growth district may be in an area  
15 along the edge of a municipality's boundary or in any other growth  
16 area designated by the governing body, except that the territory of  
17 each urban growth district shall be (a) within the municipality's  
18 corporate limits and (b) outside the municipality's corporate  
19 limits as they existed on January 1, 1988.

20           (3) The governing body shall establish an urban growth  
21 district by ordinance. The ordinance shall include:

22           (a) A description of the boundaries of the proposed  
23 district; and

24           (b) The local option sales tax rate and estimated urban  
25 growth local option sales and use tax revenue anticipated to be

1 identified as a result of the creation of the district.

2 (4) Any municipality that has established an urban growth  
3 district may, by ordinance, issue urban growth bonds and refunding  
4 bonds to finance and refinance the construction or improvement of  
5 (a) roads, streets, streetscapes, bridges, and related structures,  
6 (b) parks, and (c) other public infrastructure within the urban  
7 growth district and in any other area of the municipality. The  
8 bonds shall be secured as to payment by a pledge, as determined by  
9 the municipality, of the urban growth local option sales and use  
10 tax revenue and shall mature not later than twenty-five years after  
11 the date of issuance. Annual debt service on all bonds issued with  
12 respect to an urban growth district pursuant to this section shall  
13 not exceed the urban growth local option sales and use tax revenue  
14 with respect to such district for the fiscal year prior to the  
15 fiscal year in which the current series of such bonds are issued.  
16 For purposes of this section, urban growth local option sales and  
17 use tax revenue means the municipality's total local option sales  
18 and use tax revenue multiplied by the ratio of the area included in  
19 the urban growth district to the total area of the municipality.

20 (5) The issuance of urban growth bonds by any  
21 municipality under the authority of this section shall not be  
22 subject to any charter or statutory limitations of indebtedness or  
23 be subject to any restrictions imposed upon or conditions precedent  
24 to the exercise of the powers of municipalities to issue bonds or  
25 evidences of indebtedness which may be contained in such charters

1 or other statutes. Any municipality which issues urban growth bonds  
2 under the authority of this section shall levy property taxes  
3 upon all the taxable property in the municipality at such rate or  
4 rates within any applicable charter, statutory, or constitutional  
5 limitations as will provide funds which, together with the urban  
6 growth local option sales and use tax revenue pledged to the  
7 payment of such bonds and any other money made available and used  
8 for that purpose, will be sufficient to pay the principal of and  
9 interest on such urban growth bonds as they severally mature.